



WE MAGNETISE THE WORLD

# SPEAK UP PROCEDURE

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## Foreword

Kendrion intends to be and remain a company that appeals to its customers, employees and shareholders. We can only achieve this together by conducting all activities and business at our company with honesty and integrity.

The principles established in our Code of Conduct reflect the main values that need to guide all of us in the performance of our duties and the actions we need to take in a variety of circumstances and situations.

We encourage our employees who have a concern about a violation or suspected violation of our Code of Conduct or other company values to speak up and express their concerns. If you tell us such concerns in good faith, you help us to take the necessary action, improve the situation and limit potential damage to our organisation, employees and other parties involved.

We aim to foster a culture in which everyone feels comfortable to raise such concerns, without fear of reprisals, even if your concerns turn out to be mistaken. We always prefer that you do raise your concerns rather than keeping them to yourself, even if you have doubts.

This speak-up procedure gives you guidance on how to raise concerns. It replaces the former Whistleblower's Charter. The main change is the implementation of the SpeakUp Line, which enables all employees to report irregularities or suspected irregularities by phone or email in their own language and, if desired, anonymously. However, the focus remains on establishing an open dialogue since we feel this is the best way to raise and address concerns.

Always remember that you have the right to speak up!

Joep van Beurden, CEO  
Frank Sonnemans, CFO  
Kendrion N.V.

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## Speak up procedure: Why, Who, What and How?

### 1. Why are you encouraged to speak up?

We are committed to conducting our business with honesty and integrity. We aim for a culture of transparency and accountability in order to prevent illegal conduct or to address this should we become aware of such conduct within our organisation. A culture in which you all feel comfortable to ask questions and raise genuine concerns related in any way to our Code of Conduct. When you tell us about such concerns in good faith, you help us to take the necessary action, to improve the situation and to limit potential damage to our organisation, employees, customers and others involved.

### 2. Who can use this speak up procedure?

We invite all individuals working within our organisation, including directors, managers, employees, freelancers, temporary workers or trainees, whether working part-time or full-time, to raise concerns.

### 3. What kind of issues can you raise?

If you have reasonable grounds to believe that any issue is not entirely in line with our Code of Conduct or other company values, you should raise your concern with us. Please click [here](#) to read the Code of Conduct of Kendrion N.V.

The following are issues that you always should raise:

- a. situations or behaviour for which you or someone else could go to jail;
- b. situations in which the public interest is at stake, such as situations that may (possibly) endanger public health, threaten the safety of people, the environment or proper functioning of a public service or a business.

### 4. What if you have doubts?

If you are unsure whether certain conduct is allowed or if you have any concerns about possible irregularities, you can always ask a confidential counsellor for advice in confidence prior to discussing your concerns with your manager. A confidential counsellor will not make a formal report if you only ask a question.

Please note that we always prefer you to raise your concerns rather than keeping them to yourself, even if you have doubts about them.

## 5. How to speak up?

You are encouraged to report your concerns using our internal reporting procedure (see also the figure on page 7):

### *Discuss internally with your manager or director*

First and foremost you are encouraged to discuss your concerns internally with your manager or director. In most cases this should result in quick and effective resolution of the concern raised.

### *Report to a confidential counsellor or compliance manager*

If you consider reporting to your own manager inappropriate, you may report your concerns to a confidential counsellor or to the compliance manager instead. You may also choose to report your concerns to a confidential counsellor and/or the compliance manager in addition to the manager. The confidential counsellor will refer all concerns to the compliance manager for further investigation. The compliance manager will conduct an investigation under the supervision of the Executive Board.

If a confidential counsellor or the compliance manager is of the opinion that an alternative approach would be more suitable, they may suggest such an alternative approach to you.

### *Anonymous report using the SpeakUp Line*

You may also choose to report your concerns by using the SpeakUp Line. The SpeakUp Line is a continuously available voice response phone and web service through which you can also report anonymously and directly to the compliance manager in your native language. This service is managed by an independent party.

### *Report to the Chairman of the Supervisory Board's Audit Committee*

You may report your concerns directly to the Chairman of the Supervisory Board's Audit Committee only if the suspected irregularity concerns a member of the Executive Board or the compliance manager, or if a previous, duly submitted, internal report has been filed about essentially the same irregularity and the irregularity has not been remedied.

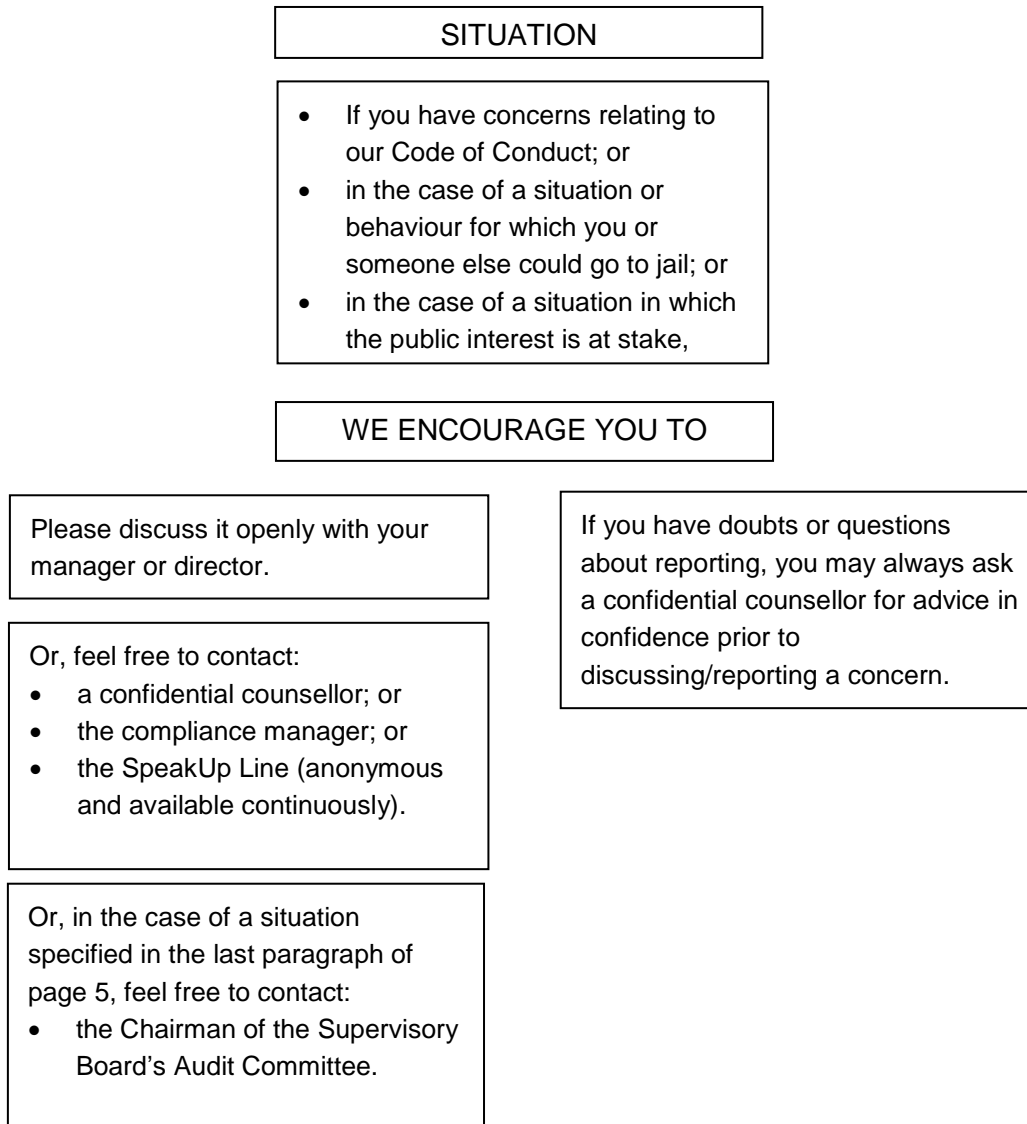
You may also choose to report these concerns by using the SpeakUp Line, in which case the compliance manager will immediately refer your report to the

Chairman of the Supervisory Board's Audit Committee for further handling and investigation.

*Information to provide*

Please provide as much detailed information as possible to enable the recipient to assess the matter. Examples might be a description of what you noticed, background reasons for your concerns, names, dates, places and other information. However, please go ahead and raise your concerns even if you do not have all the facts,

Figure



## What happens after you raise your concern?

### **6. Written record of report**

The person to whom you have reported your concern (a confidential counsellor, the compliance manager or the Chairman of the Supervisory Board's Audit Committee) must make a written record of the report and the date on which it was received.

No written record will be made if an alternative route has been suggested by the confidential counsellor or the compliance manager.

If you have contacted the external SpeakUp Line, you will receive a unique case number which you can use to check the status of your report and/or to add additional information.

### **7. Persons accused will be informed**

If you raised a concern about a specific person, they will be informed as soon as possible about the suspected violation, unless this can be expected to seriously hamper the investigation and, as a result, impede the enforcement of Kendrion's rights within the framework of legal proceedings. In the event that the person involved cannot be informed immediately or fully, they will be (further) informed as soon as the investigation permits. If necessary, they will be interviewed to enable them to give their view on the facts presented in the final report.

### **8. Investigation by and findings of the compliance manager**

If you have reported your concerns to a confidential counsellor, they will refer all concerns for which no alternative approach has been suggested to the compliance manager for further investigation. The confidential counsellor will ensure that the compliance manager receives a copy of the written record immediately. Upon receipt of the written record, the compliance manager will provide you with a confirmation of receipt.

Immediately after receiving your report, the compliance manager will start an investigation into your concern. The compliance manager will conduct the investigation under the supervision of the Executive Board (see under 12).



Within eight weeks of your report (either in person or through the SpeakUp Line), you will be informed in writing of the compliance manager's position regarding your concern and the action taken as a consequence of your report.

If no position can be given within eight weeks, you will be notified of this and given an indication as to when you will be informed of the compliance manager's position.

If you have reported through the SpeakUp Line, you can use your unique case number to check the status of your report as outlined above.

#### **9. Investigation by and findings of the Supervisory Board's Audit Committee**

Immediately after receiving your report, the Supervisory Board's Audit Committee will start an investigation into your concern.

Within eight weeks of your report to the Chairman of the Supervisory Board's Audit Committee, the Chairman will inform you in writing of the position of the Supervisory Board's Audit Committee regarding your concern and the action taken as a consequence of your report.

If no position can be given within eight weeks, you will be notified of this by the Chairman of the Supervisory Board's Audit Committee and you will be given an indication as to when you will be informed of the position of the Supervisory Board's Audit Committee.

If you have reported your concern through the SpeakUp Line and your report has been referred to the Chairman of the Supervisory Board's Audit Committee by the compliance manager, you can use your unique case number to check the status of your report as outlined above.

#### **10. Decision on the results of the compliance manager's investigation and information regarding the judgement**

The compliance manager will provide the Executive Board with the investigation results and it will make a decision on the matter reported. If the concern was (partly) justified, the Executive Board will give binding advice to the appropriate management level on measures to be taken. These measures may be disciplinary and/or organisational (preventive). The Executive Board will also monitor the implementation of such measures. It is only possible to deviate from this binding advice with the Executive Board's approval.

You will be informed about the Executive Board's judgement by the compliance manager or a confidential counsellor. No details can be given due to the privacy and legal position of the person(s) to whom your concern relates.

#### **11. Decision on investigation results of the Supervisory Board's Audit Committee and information about the judgement**

The Supervisory Board's Audit Committee provides its investigation results to the Supervisory Board which will decide on the reported matter. If the concern was (partly) justified, the Supervisory Board will give binding advice to the appropriate management level on the measures to be taken. These measures may be disciplinary and/or organisational (preventive). The Supervisory Board will also monitor the implementation of such measures. It is only possible to deviate from this binding advice with the Supervisory Board's approval.

You will be informed about the Supervisory Board's judgement by the Chairman of the Supervisory Board's Audit Committee. No details can be given due to the privacy and legal position of the person(s) to whom your concern relates.

#### **12. Executive Board**

The role and tasks of the Executive Board are to (i) monitor the implementation of and compliance with the Code of Conduct and this speak up procedure, (ii) investigate or have investigated possible violations of the Code of Conduct and adopt immediate corrective measures to be taken in this respect, (iii) pass judgement on the reported matter and provide binding advice for measures to be taken, and (iv) periodically review decisions made under this speak up procedure and their implementation.

After consultation with the Executive Board, the compliance manager can appoint one or more investigators and has the authority to instruct others to take temporary measures if necessary. For example, to ensure that physical evidence or digital information is safeguarded.

### **13. Cooperation with investigation**

Each employee or other individual as mentioned under 2 above is required to fully and promptly cooperate with an investigation and fully and honestly answer any questions. In the interest of an investigation, none of the employees or other individuals as mentioned under 2 above may speak about the investigation with anyone, not even with their own manager.

### **14. Confidentiality**

The need for confidentiality may prevent us from giving specific details about the investigation or the actions taken. You should treat any information about the investigation (including the record of your report) as confidential. Do not provide information to third parties inside or outside our organisation without the consent of the Executive Board or the Chairman of the Supervisory Board's Audit Committee, as the case may be.

### **15. If you are not happy with the outcome of the investigation**

Please inform the compliance manager if, after careful consideration, you feel that your concern has not been handled professionally or an investigation has not been performed correctly. This may help to improve this speak up procedure.

However, if you first reported your concerns about (suspected) irregularities to the confidential counsellor or the compliance manager, but:

- (i) you have not been informed of the position taken by the compliance manager within the requisite period as mentioned under 8; or
- (ii) the requisite period is unreasonably long, given all the circumstances, and you have objected about this to the compliance manager but the latter has not indicated a shorter, reasonable period,

you may choose to report your concerns to the Chairman of the Supervisory Board's Audit Committee. The procedure described under 9 will apply.

## How do we protect you?

### 16.No adverse effects

#### *Reporting in good faith*

We aim to encourage openness and transparency and will not tolerate adverse effects when you raise a concern in good faith in accordance with this speak up procedure.

Good faith means that a person in the same circumstances would reasonably believe or suspect that any issue regarding the company or one of its group companies is not entirely in line with our Code of Conduct or other company values. In other words, that it was reasonable to raise a concern in such a case. If upon investigation you turn out to be mistaken, no action will be taken against you if you raised your concern in good faith.

If you believe you have suffered adverse treatment as a result of the report, such as dismissal, disciplinary action or threats, you should immediately inform your manager, director, a confidential counsellor, the compliance manager or the Chairman of the Supervisory Board's Audit Committee, as the case may be. Anyone involved in such adverse conduct will be subject to disciplinary action.

#### *Reporting in bad faith*

We cannot allow reporting in bad faith. Bad faith means that you know that you are reporting maliciously or dishonestly, that you are abusing the reporting procedure with a view to personal gain or because you have personal grievances.

If the Executive Board or the Chairman of the Supervisory Board's Audit Committee, as the case may be, concludes that you have raised concerns in bad faith, you may be subject to disciplinary action which may include dismissal and payment of damages.

#### *Position of confidential counsellor and compliance manager*

A confidential counsellor or compliance manager who has handled concerns in good faith in accordance with this speak up procedure shall not suffer adverse treatment, such as dismissal, disciplinary action or threats. If a confidential counsellor or compliance manager believes they have suffered such adverse treatment, they should immediately inform the Executive Board or the Chairman of the Supervisory Board's Audit Committee.

## **17. Your identity will be protected**

All reported concerns will be handled confidentially. Your name will only be known to the people that you report your concern to and to the appointed investigators. You can help us to protect your identity by being discreet and by not discussing your concerns or an ongoing investigation with any of your colleagues.

The people that you have reported your concerns to are not allowed to communicate your identity to anyone other than the investigators without your permission. The only exceptions are if this is required by law, if you submitted a report in bad faith or if an important public interest is at stake (in which case we will inform you). However, please note that keeping your identity secret can seriously hinder or complicate investigations. Sometimes it even prevents us from taking the appropriate actions. After you give your permission, your identity will only be revealed to those people who have a need to know.

If you wish to be completely anonymous, you can contact the external SpeakUp Line.

## **18. Protection of personal data**

Kendrion follows all the requirements of applicable data protection laws and regulations. This includes ensuring the necessary level of transparency by comprehensively providing relevant information in regard to the collection, processing and use of personal data under this speak up procedure, and adequately maintaining your rights to individually request information about your personal data and, if necessary, to demand its correction or deletion.

Any files and documents generated in connection with the reporting of any concerns will be held securely and stored separately from regular employee data. Such information will be accessible only by a restricted number of individuals and only on a strictly enforced need-to-know basis. Relevant files and documents will only be kept for as long as is necessary to properly clarify the facts of the relevant case and deal with any irregularities exposed. Subsequently, any personal data which is then irrelevant or unnecessary will be irretrievably deleted or destroyed. In order to periodically generate statistical reports about the number and subject of reported concerns, Kendrion will use anonymous data only.

Kendrion will not disclose any personal data collected, processed or used under this speak up procedure to third parties, unless explicitly required or allowed for by law or if an important public interest is at stake.

The external supplier of the SpeakUp Line is only entitled to process personal data as instructed by Kendrion.

## Contact details

### 19. Compliance manager and confidential counsellors

Compliance manager:

Yvonne Wiersma

Telephone +31 30 699 72 60

Fax +31 30 6951165

E-mail [yvonne.wiersma@kendrion.com](mailto:yvonne.wiersma@kendrion.com)

Confidential counsellors:

Please check Annex 1 to this speak up procedure or our website for the names and contact details of the confidential counsellors.

### 20. SpeakUp Line

Please check Annex 2 to this speak up procedure.

## Miscellaneous

### 21. Adoption and amendment of this speak up procedure

This speak up procedure has been adopted by the Executive Board of Kendrion N.V. in October 2016 and is effective as of October 2016. This speak up procedure replaces the Whistleblower's Charter as adopted by the Executive Board in March 2010.

This speak up procedure can be amended and supplemented by a decision of the Executive Board of Kendrion N.V.

## **22. Unforeseen circumstances**

The Executive Board of Kendrion N.V. is authorised to make a decision in circumstances not foreseen by this speak up procedure.

# Annex 1

Kendrion's **confidential counsellors** are:

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**Paula Vincent**

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E-Mail: paula.vincent@kendrion.com

**Joanna Chen**

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E-Mail: joanna.chen@kendrion.com



## Annex 2

The contact details of the SpeakUp Line differ per country and can be found on the hardcopy of this Speak up procedure which has been distributed to all employees and on the bulletin board in your plant/office.